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# Selected Speeches and News Releases

June 9 - June 16, 1988

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# News Releases

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U.S. Department of Agriculture • Office of Information

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## USDA TO SELL HAY FROM INVENTORY FARMS IN DROUGHT STATES

WASHINGTON, June 9—Standing hay on farms held in inventory by the U.S. Department of Agriculture's Farmers Home Administration will be sold to help meet livestock needs in drought-stricken states, FmHA Administrator Vance L. Clark said today.

Clark instructed FmHA state directors to sell at reasonable cost hay on inventory property in counties where the state Agricultural Stabilization and Conservation Service committees have authorized the release of set-aside acres for haying and grazing.

As of June 8, set-aside acres had been released for haying and grazing in 449 counties in 12 states: Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Texas and Wisconsin.

Sales will be by sealed bid, Clark said.

FmHA holds a total 1,483 unleased farms in the 12 states, but hay will be sold only on farms located in counties where set-aside acres have been released.

The farms in the FmHA inventory were acquired from borrowers who discontinued their operations.

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## USDA FINALIZES SHEEP IMPORT REGULATIONS

WASHINGTON, June 9—Effective July 11, the U.S. Department of Agriculture will require sheep imported from New Zealand to be accompanied by health certificates, tested for certain diseases, and treated for parasites before entering the United States.

USDA has also established strict requirements for private quarantine facilities for sheep imported to the U.S. from countries free of foot-and-mouth disease and rinderpest, such as New Zealand.

“Recent interest in importing large numbers of sheep from New



Zealand has created a demand for quarantine services greater than those available at federal quarantine facilities,” said James W. Glosser, administrator of USDA’s Animal and Plant Health Inspection Service. “With these new rules, we are confident that sheep from New Zealand can be imported into this country without presenting a health risk to domestic livestock.”

The sheep will be isolated 30 days immediately before export. Any sheep exposed to, or showing evidence of, a communicable disease within 60 days before export will not be allowed into the country.

To receive USDA approval, each private quarantine facility must maintain detailed health records and meet strict sanitation and biosecurity standards. Approval will be contingent upon adequate availability of USDA personnel to provide the services the facility requires.

Sheep to be quarantined in private facilities must enter the United States through a nearby international port.

The final sheep import regulations will be published in the June 10 Federal Register.

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## **USDA ANNOUNCES PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON**

WASHINGTON, June 9—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-4.9) upland cotton (base quality) and the coarse count adjustment in effect from 12:01 a.m. Friday, June 10, through 12:00 midnight Thursday, June 16.

Since the adjusted world price (AWP) is above the 1987-crop base quality loan rate of 52.25 cents per pound, the loan repayment rate for 1987-crop upland cotton during this period is equal to the loan rate for the specific quality and location.

The AWP will be used to determine the value of upland cotton that is obtained in exchange for commodity certificates. However, no coarse count adjustment will be applicable during the period because the adjustment is less than 1.00 cent per pound.

Based on data for the week ending June 9, the AWP for upland cotton and the coarse count adjustment are determined as follows:

Adjusted World Price	
Northern Europe Price .....	67.29
Adjustments:	
Average U.S. spot market location .....	9.53
SLM 1-1/16 inch cotton .....	2.00
Average U.S. location .....	0.44
Sum of Adjustments .....	-11.97
ADJUSTED WORLD PRICE .....	55.32 cents/lb.
Coarse Count Adjustment	
Northern Europe Price .....	67.29
Northern Europe Coarse Count Price .....	-61.55
	5.74
Adjustment to SLM 1-inch cotton .....	-6.25
	-0.51
COARSE COUNT ADJUSTMENT .....	0 cents/lb.

The next AWP and coarse count adjustment announcement will be made June 16.

Charles Cunningham (202) 447-7954

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**USDA ANNOUNCES AVAILABILITY OF TARGETED EXPORT ASSISTANCE FUNDS FOR FISCAL 1989**

WASHINGTON, June 9—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the availability of \$325 million in Targeted Export Assistance (TEA) funds for fiscal year 1989.

The TEA program and its funding are mandated by Congress in the Food Security Act of 1985. The act requires that the secretary of agriculture use Commodity Credit Corporation commodities or funds each year through 1989 to provide assistance to U.S. agricultural products to counter or offset the adverse effects on exports of unfair foreign trade practices. The act sets the total funding level for 1989 at \$325 million.

To apply for an fiscal year 1989 TEA allocation, industry representatives must submit a proposal to USDA's Foreign Agricultural Service postmarked no later than midnight July 11.

USDA will evaluate proposals against several criteria, including: (1) identification of an unfair foreign trade practice and the extent to which it has adversely affected exports, (2) the applicant organization's willingness to contribute resources to the joint project, ability to represent U.S. producer interests on a commodity or nationwide basis, prior export development experience and ability to plan, conduct and supervise proposed activities, and (3) the prospects for the project's success in increasing exports or mitigating the unfair trade practice.

FAS granted \$110 million in Commodity Credit Corporation (CCC) generic commodity certificates in each of fiscal years 1986, 1987 and 1988 to reimburse 66 organizations for authorized activities to promote a wide range of U.S. agricultural exports including horticultural products, feed grains, wheat, meat, poultry, seafood, cotton, wood products and other high-value products.

For more information regarding application procedures and the TEA program, contact the Marketing Programs Division, Foreign Agricultural Service, Room 4932-S, U.S. Department of Agriculture, Washington, D.C. 20250-1000; telephone (202) 447-5521.

Sally Klusaritz (202) 447-3448

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## STATES TO SHARE IN NATIONAL FOREST RECEIPTS

WASHINGTON, June 15—An estimated \$262 million will be shared by 43 states and Puerto Rico as their portions of 1988 national forest system receipts, according to estimates released today by the U.S. Department of Agriculture.

Forest Service Chief F. Dale Robertson said 25 percent of the total 1988 receipts will be returned to states in which National Forest System lands are located. Revenues are collected for the use of these 191 million acres of national forests, national grasslands, and land utilization projects for timber harvesting, grazing, recreational activities, and mineral development. The states are required by law to use their shares of the receipts for public schools and roads.



Robertson said making advance estimates of the state payments helps local budget planners complete their work. He said the final payments will be based on actual receipts collected, and may vary from the estimates announced today.

According to Robertson, interim payments representing 75 percent of the estimated total state shares of national forest receipts will be made in September. The balance will be paid in December, when final figures on the revenue collected during fiscal year 1988 are available. The states' shares of the national grassland and land utilization project receipts, based on revenues collected during calendar year 1988, will be paid on or about March 1, 1989.

Last year, states received more than \$286 million as their shares of fiscal year 1987 national forest revenues and \$11 million from national grassland and land utilization project revenues.

State by state, the estimated payments are:

State	National Forests	Land Utilization Projects
ALABAMA	933,019.13	
ALASKA	194,675.02	
ARIZONA	5,788,270.42	
ARKANSAS	3,384,773.51	1,500.00
CALIFORNIA	53,378,280.93	75.00
COLORADO	2,289,006.60	332,540.75
FLORIDA	799,459.57	80,750.00
GEORGIA	650,420.49	
IDAHO	8,588,291.99	2,837.75
ILLINOIS	64,041.57	
INDIANA	25,973.90	
KANSAS	2,002,575.00	
KENTUCKY	529,792.98	
LOUISIANA	2,178,964.33	
MAINE	24,766.48	
MARYLAND	3,722.80	
MICHIGAN	819,073.73	170,200.00
MINNESOTA	1,265,909.66	
MISSISSIPPI	4,193,973.98	
MISSOURI	2,152,707.52	262.50

MONTANA	6,580,739.45	
NEBRASKA	28,750.00	9,750.00
NEVADA	260,222.84	
NEW HAMPSHIRE	359,989.79	
NEW MEXICO	1,965,126.32	10,406.25
NEW YORK	14,381.72	
NORTH CAROLINA	517,052.67	
NORTH DAKOTA	73.41	4,125,651.50
OHIO	92,592.15	218.25
OKLAHOMA	416,342.79	180,016.57
OREGON	116,983,073.58	6,000.00
PENNSYLVANIA	2,057,222.05	3,000.00
SOUTH CAROLINA	1,344,524.17	
SOUTH DAKOTA	771,794.77	81,996.50
TENNESSEE	234,843.04	
TEXAS	1,687,148.33	71,851.43
UTAH	960,894.93	
VERMONT	115,618.93	
VIRGINIA	339,225.57	
WASHINGTON	30,982,559.43	
WEST VIRGINIA	619,415.07	
WISCONSIN	267,446.21	
WYOMING	1,258,062.25	250,675.00
PUERTO RICO	7,015.01	
GRAND TOTAL	\$255,125,516.29	\$7,334,029.30

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## USDA ANNOUNCES COMMON PROVISIONS OF 1989 FARM PROGRAMS

WASHINGTON, June 14—Limited cross compliance will be in effect for 1989 crops of wheat, corn, sorghum, barley, upland cotton and rice, but not for oats and extra long staple (ELS) cotton, Secretary of Agriculture Richard E. Lyng announced today.

To be eligible under the cross compliance provision for price support loans, purchases or payments for these crops, the acreage planted for

harvest on a farm may not exceed the crop acreage bases for these commodities.

Other common program provisions applicable to the 1989 crops of wheat, feed grains, cotton and rice include:

—Offsetting compliance will not apply, meaning that eligibility for a program payment and a loan for a program commodity on a farm will not be affected by actions taken with respect to that commodity on another farm.

—Production of non-program crops on land idled under the various acreage reduction programs will not be permitted.

—Grazing of conservation use (CU) and acreage conservation reserve (ACR) land will be permitted, except during a 5-consecutive-month period between April 1 and Oct. 31, 1989, as established by the state Agricultural Stabilization and Conservation (ASC) Committee.

—Haying of CU and ACR in the same period will not be permitted unless the state ASC committee determines that haying will not have an adverse economic effect in that state.

—In the event of a natural disaster, haying and grazing of CU and ACR may also be permitted during the prohibited 5-month period in those counties which are determined to be adversely affected by disaster conditions and approved by the U.S. Department of Agriculture.

—The increase of any crop acreage base (CAB) with a corresponding downward adjustment in other CAB's on the farm generally will not be permitted. However, adjustments in CAB's will be considered when producers need to change cropping practices to carry out conservation compliance requirements on highly erodible land.

—Advance recourse commodity loans will not be made available.

—The program enrollment period and advance deficiency payments will be announced at a later date.

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## **USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES**

WASHINGTON, June 14—Acting Under Secretary of Agriculture Richard W. Goldberg today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 10.28 cents per pound;
- medium grain whole kernels, 9.44 cents per pound;
- short grain whole kernels, 9.34 cents per pound;
- broken kernels, 5.14 cents per pound.

Loan repayment rates for 1987-crop warehouse or farm-stored rice loans are the higher of the world prices or 50 percent of the loan rates. Based upon these prevailing world market prices for milled rice, the estimated average world prices for 1987 crop rough rice are:

- long grain, \$6.19 per hundredweight;
- medium grain, \$5.88 per hundredweight;
- short grain, \$5.69 per hundredweight.

The prices announced are effective today at 3 p.m. EDT. The next scheduled price announcement will be made June 21 at 3 p.m. EDT, although prices may be announced sooner if warranted.

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## **USDA PROPOSES CHANGES IN COTTON PRICE QUOTATION PROCEDURES**

WASHINGTON, June 15—The U.S. Department of Agriculture today proposed changes in procedures used to determine price quotations published for cotton sold in the eight “spot” markets USDA designates for determining raw cotton price quotations.

J. Patrick Boyle, administrator of USDA’s Agricultural Marketing Service, said the proposal is expected to improve the efficiency of establishing price quotations for traded cotton. “Under the proposal, AMS’ cotton division would take sole responsibility for determining the published price quotations for the various cotton qualities.” Presently, quotations committees, composed of cotton buyers and traders, assist the division in determining price quotations.

Recently, a significant number of cotton firms have withdrawn from



committee participation. “In the interest of continuing the publication of accurate price quotations, USDA is proposing that the quotations committees be suspended indefinitely and their duties assumed by the agency’s cotton division,” Boyle said.

Part of the proposal involves consolidation of the eight spot markets into seven, with geographic boundaries redefined and markets renamed. Naming would be by geographic area rather than city names. “With today’s extensive use of telecommunications and electronic marketing in the cotton industry, city limits no longer properly describe the extent of a cotton market,” Boyle said. The new markets would cover more territory than the old, giving a larger source from which to gather trading prices over a given period in order to arrive at a representative and more accurate price quotation, he said.

USDA also proposes adding “number of bales traded” to each price quotation published, enabling traders to gauge the significance of the quotation more precisely, Boyle said.

The proposed changes were presented and endorsed at the recent meeting of the Advisory Committee on Cotton Marketing.

“The entire cotton industry should benefit from enhanced reliability and efficiency these proposed changes promise,” Boyle said.

The proposals were published as a proposed rule in the June 14 Federal Register. Copies may be obtained from Garry L. Lewicki, Cotton Division, AMS, USDA, Rm. 2641-S, P.O. Box 96456, Washington, D.C. 20090-6456. Written comments may be sent to Mr. Lewicki, received no later than July 14.

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